

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEBRASKA

In Re:) Case No.09-83145
)
SANITARY AND IMPROVEMENT) **CHAPTER 9**
DISTRICT #509 OF DOUGLAS) **STATEMENT OF QUALIFICATION**
COUNTY, NEBRASKA,) **UNDER SECTION 109(C) OF THE**
) **UNITED STATES BANKRUPTCY CODE**
Debtor.)

1. Sanitary and Improvement District #509 of Douglas County, Nebraska (the "Debtor") is a municipality, as such term is defined in Section 101(40) of the United States Bankruptcy Code;

2. The Debtor is specifically authorized in the capacity as a municipality or by name to be a debtor under Chapter 9 of the United States Bankruptcy Code by the laws of the State of the Nebraska, or by governing officer or organization empowered by the laws of the State of Nebraska to authorize such an entity to be a debtor under Chapter 9;

3. The Debtor is insolvent;

4. The Debtor desires to effect a plan to adjust its debts; and

5. The Debtor has negotiated in good faith with creditors and has failed to obtain the agreement of creditors holding at least a majority in the amount of claims of each class that such entity intends to impair under a plan under its Chapter 9 case.

Dated this 17th day of November, 2009.

**SANITARY AND IMPROVEMENT
DISTRICT #509 OF DOUGLAS
COUNTY, NEBRASKA, Debtor**

/s/ Mark J. LaPuzza

Mark J. LaPuzza, #22677

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**EXCERPT FROM MINUTE OF MEETING
OF
SANITARY AND IMPROVEMENT DISTRICT NO. 509
OF DOUGLAS COUNTY, NEBRASKA**

Discussion was next had concerning the financial problems and impending bankruptcy of the District. John Kuehl of D.A. Davidson & Company, fiscal agent for the District, was in attendance and conducted a detailed discussion of what attempts had been made to resolve the issues and what steps would need to be taken in order to keep the District solvent. Upon the conclusion of such discussion, and upon a roll call vote taken, the following Trustees, Herbert L. Freeman, Donna M. Nissen, Matthew Evans, Michael L. Riedmann and Nathan Wichman voted "Aye" with none voting "Nay" thereby adopting the following resolution:

RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 509 of Douglas County, Nebraska, as follows:

WHEREAS, that the District is unable to pay its interest in a timely fashion; and

WHEREAS, that the District has attempted to negotiate with its fiscal agents for reduced payments on warrants, but such efforts were unsuccessful; and

WHEREAS, it would be in the best interests of the warrantholders and property owners of the District to file a petition under Chapter 9 of the Bankruptcy Code.

FURTHER RESOLVED, that the District file bankruptcy as soon as possible under Chapter 9 of the Bankruptcy Code.

FURTHER RESOLVED, that the Chairman, Clerk and Trustees be, and hereby are authorized and directed to execute such documents and take such steps as are necessary to implement this resolution.

FURTHER RESOLVED, that counsel for the District is directed to take appropriate steps as are necessary to place this before the Bankruptcy Court for its approval.